



General Assembly

February Session, 2008

Raised Bill No. 374

LCO No. 1820

01820_____PD_

Referred to Committee on Planning and Development

Introduced by:
(PD)

AN ACT CONCERNING FINANCIAL AND MANAGEMENT AUDITS OF MUNICIPALITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 2-90 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2008*):

3 (a) The Auditors of Public Accounts shall organize the work of their
4 office in such manner as they deem most economical and efficient and
5 shall determine the scope and frequency of any audit they conduct.

6 (b) Said auditors, with the Comptroller, shall, at least annually and
7 as frequently as they deem necessary, audit the books and accounts of
8 the Treasurer, including, but not limited to, trust funds, as defined in
9 section 3-13c, as amended, and certify the results to the Governor. The
10 auditors shall, at least annually and as frequently as they deem
11 necessary, audit the books and accounts of the Comptroller and certify
12 the results to the Governor. They shall examine and prepare
13 certificates of audit with respect to the financial statements contained
14 in the annual reports of the Treasurer and Comptroller, which
15 certificates shall be made part of such annual reports. In carrying out

16 their responsibilities under this section, said auditors may retain
17 independent auditors to assist them.

18 (c) Said auditors shall audit, on a biennial basis if deemed most
19 economical and efficient, or as frequently as they deem necessary, the
20 books and accounts of (1) each officer, department, commission, board
21 and court of the state government; [,] (2) all institutions supported by
22 the state; [and] (3) all public and quasi-public bodies, politic and
23 corporate, created by public or special act of the General Assembly and
24 not required to be audited or subject to reporting requirements, under
25 the provisions of chapter 111, and (4) any municipality that receives
26 state funding in an amount greater than thirty-five per cent of its
27 annual operating budget. Each such audit may include an examination
28 of performance in order to determine effectiveness in achieving
29 expressed legislative purposes. Each such audit of a municipality shall
30 include any recommendations for programmatic and management
31 efficiencies and financial improvements. The auditors shall report their
32 findings and recommendations to the Governor, the State Comptroller,
33 the joint standing committee of the General Assembly having
34 cognizance of matters relating to appropriations and the budgets of
35 state agencies, and the Legislative Program Review and Investigations
36 Committee.

37 (d) The Auditors of Public Accounts may enter into such contractual
38 agreements as may be necessary for the discharge of their duties. Any
39 audit or report which is prepared by a person, firm or corporation
40 pursuant to any contract with the Auditors of Public Accounts shall
41 bear the signature of the person primarily responsible for the
42 preparation of such audit or report. As used in this subsection, the
43 term "person" means a natural person.

44 (e) If the Auditors of Public Accounts discover, or if it should come
45 to their knowledge, that any unauthorized, illegal, irregular or unsafe
46 handling or expenditure of state funds or any breakdown in the
47 safekeeping of any resources of the state has occurred or is

48 contemplated, they shall forthwith present the facts to the Governor,
49 the State Comptroller, the clerk of each house of the General Assembly,
50 the Legislative Program Review and Investigations Committee and the
51 Attorney General. Any Auditor of Public Accounts neglecting to make
52 such a report, or any agent of the auditors neglecting to report to the
53 Auditors of Public Accounts any such matter discovered by [him] such
54 agent or coming to [his] the knowledge of such agent shall be fined not
55 more than one hundred dollars or imprisoned not more than six
56 months or both.

57 (f) All reports issued or made pursuant to this section shall be
58 retained in the offices of the Auditors of Public Accounts for a period
59 of not less than five years. The auditors shall file one copy of each such
60 report with the State Librarian.

61 (g) Each state agency shall keep its accounts in such form and by
62 such methods as to exhibit the facts required by said auditors and, the
63 provisions of any other general statute notwithstanding, shall make all
64 records and accounts available to them or their agents, upon demand.

65 (h) Where there are statutory requirements of confidentiality with
66 regard to such records and accounts or examinations of
67 nongovernmental entities which are maintained by a state agency,
68 such requirements of confidentiality and the penalties for the violation
69 thereof shall apply to the auditors and to their authorized
70 representatives in the same manner and to the same extent as such
71 requirements of confidentiality and penalties apply to such state
72 agency. In addition, the portion of any audit or report prepared by the
73 Auditors of Public Accounts that concerns the internal control
74 structure of a state information system shall not be subject to
75 disclosure under the Freedom of Information Act, as defined in section
76 1-200.

<p>This act shall take effect as follows and shall amend the following sections:</p>
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Section 1	July 1, 2008	2-90
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Statement of Purpose:

To require the Auditors of Public Accounts to perform financial and management audits of municipalities receiving state funding in excess of thirty-five per cent of the operating budget of such municipality.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]